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METRO

super C

Loeb

MARCHE RICHELIEU

**MERIT
SELECTION**



Metro Richelieu

1999 Annual Report

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Métro-Richelieu Inc. is mainly a food distributor and retailer operating in Québec, the Ottawa region and the northeastern part of Ontario.

Métro-Richelieu supplies more than 500 franchised and corporate stores that carry the Métro, Super C, Loeb and Marché Richelieu banners.

The Company also serves numerous institutions, restaurants, hotels and small retailers.

The Company is also active in the pharmaceutical segment through its subsidiary McMahon Distributeur pharmaceutique Inc., which is the franchisor for the Brunet and Clini-Plus drugstore chains.

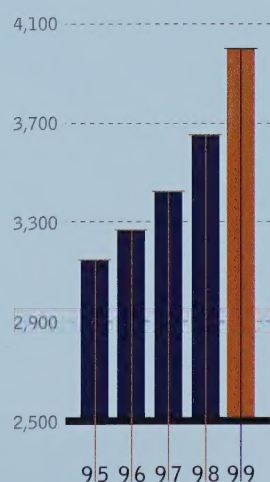
Métro-Richelieu supplies its customers from 16 distribution centres located throughout Québec and in Ontario.

The Company directly employs nearly 9,500 people, while its retailers employ approximately 16,000.

	1999	1998	1997
	\$	\$	\$
Operating results (Millions of dollars)			
Sales	3,995.5	3,653.0	3,432.3
Operating income	143.0	129.6	114.8
Net earnings excluding non-recurring items	84.6	75.9	66.2
Net earnings	76.4	65.4	66.2
Cash flow from operations	193.9	119.5	87.7
Financial structure (Millions of dollars)			
Total assets	996.2	787.5	725.5
Long-term debt	144.2	48.6	94.6
Shareholders' equity	392.3	342.6	296.2
Per common share (Dollars)			
Net earnings excluding non-recurring items	1.68	1.49	1.29
Net earnings	1.51	1.28	1.29
Fully diluted net earnings excluding non-recurring items	1.60	1.45	1.26
Fully diluted net earnings	1.45	1.25	1.26
Cash flow from operations	3.84	2.35	1.71
Book value	7.79	6.75	5.80
Dividends	0.25	0.205	0.15
Financial ratios			
Operating income/sales (%)	3.6	3.5	3.3
Long-term debt/shareholders' equity (xx:1)	0.37	0.14	0.32
Return on shareholders' equity (%)	20.8	20.5	24.7
Share value (Dollars)			
High	23.50	22.50	17.05
Low	17.00	14.50	9.25

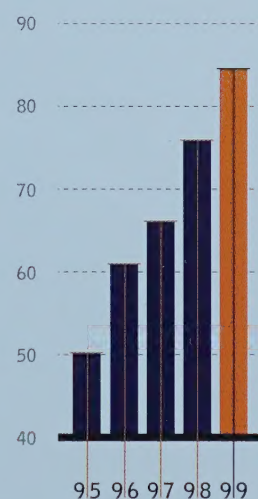
Sales

(Millions of dollars)

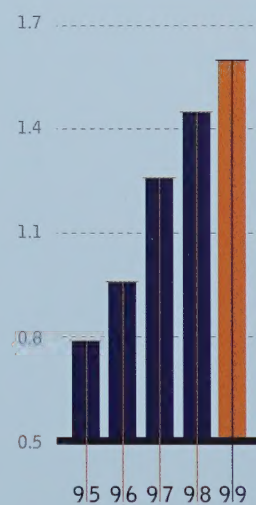


Net earnings

(excluding non-recurring items)
(Millions of dollars)



Fully diluted net earnings per share
(excluding non-recurring items)
(Dollars)

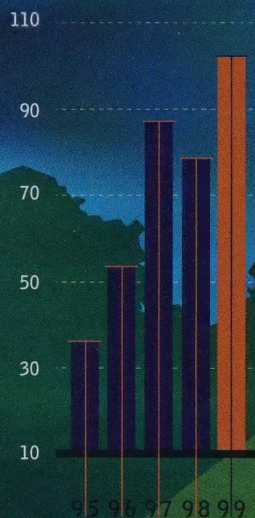


With the acquisition
of 40 Loeb supermarkets
in Ontario and as a result

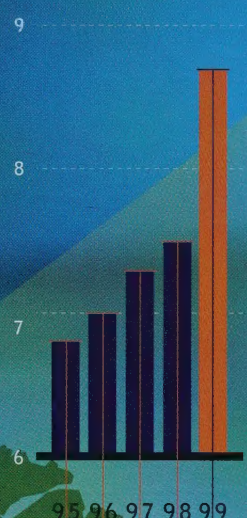
An increasingly...

of our major retail invest-
ment program, the total
square footage of
Métro-Richelieu's retail
network is now over 8.7
million square feet.

Retail investments
(Millions of dollars)



Total network floor space
(Millions of square feet)



...extensive network!

METRO

	1999	1994
Number of stores	279	308
Average store size (Square feet)	18,280	14,350
Total square footage (Thousands of square feet)	5,100	4,420

superC

	1999	1994
Number of stores	37	25
Average store size (Square feet)	47,560	50,000
Total square footage (Thousands of square feet)	1,760	1,250



Loeb

	1999
Number of stores	39
Average store size (Square feet)	25,130
Total square footage (Thousands of square feet)	980

MARCHÉ RICHELIEU



	1999	1994
Number of stores	176	216
Average store size (Square feet)	4,940	4,350
Total square footage (Thousands of square feet)	870	940

Stores

	1999	1994
	101	81
	178	163

Pharmaceutical

Drugstores

	1999	1994
	73	50
	63	—

Métro-Richelieu took the
necessary steps to
enhance its perfor-

Growth

mance and to meet
consumers' expectations.



For the ninth consecutive year, Métro-Richelieu achieved record sales totalling \$4.0 billion in 1999, up 9.4% over the previous year. Net earnings, excluding non-recurring items, rose 11.5% to \$84.6 million, representing fully diluted net earnings per share of \$1.60, an increase of 10.3%.

In June 1999, the Company pursued its expansion with the acquisition of the Loeb banner and 40 supermarkets. As a result, it gained a foothold in Ontario, more specifically in the Ottawa region and northeastern Ontario. These 40 locations, 29 of which are

Métro-Richelieu achieved its best financial
performance
ever.

corporate stores, cover a total floor space of nearly one million square feet and generate almost \$500 million in retail sales annually. We are confident that the skills of our management team in conjunction with the application of new merchandising strategies will enable us to successfully develop this market.

In 1993, Métro-Richelieu and its retailers launched a major program for renovating and expanding the retail network, and to date \$403 million have been invested in the program. In the past five years, the expansion of our retail network along with the Loeb acquisition have added more than two million square feet of retail floor space, a 32% increase, bringing the

total to more than 8.7 million square feet. These actions resulted in the upgrading of a major portion of the Company's retail network. Some stores were closed, while others were relocated, renovated, expanded or opened. As overall floor space continued to increase, the average floor space of Métro stores reached 18,280 square feet. The

Métro-Richelieu will continue to expand
and to benefit from the

modernization

of its retail network.

Métro supermarkets opened in 1999 measured an average of 31,000 square feet, offering a range of new services to meet the needs of the 21st-century consumer. During the past five years, nearly 70% of the Métro and Super C stores have been renovated, expanded or opened, and the network is today the most modern in Québec.

Our goal is to offer consumers modern, value-added stores and therefore our plan is to invest over the next three years more than \$300 million in our retail network, including

\$50 million for our Loeb stores. These major capital expenditures will result in many Métro, Super C, Loeb and Marché Richelieu stores being opened, renovated or expanded. Merchandising concepts are constantly being reviewed by management to better meet the needs of consumers.

During the past year, *Métro-The obvious choice* and *Marché Richelieu* private-label products were combined under a single brand called *Merit Selection*. To maximize the impact of this conversion, we invested in the development of new products and new advertising campaigns. Sales of *Merit Selection* products increased during the year, and we are confident of continued solid growth. These products accounted for 22% of total grocery sales last year.

Métro-Richelieu also places much emphasis on the development of its information systems, knowing that a company's growth is tied to the use of flexible and effective management tools. Last year, we initiated a major program for the implementation of SAP R/3 software that offers integrated computer applications in areas such as distribution

logistics, inventory management, purchasing, merchandising and accounting. During the same period, three of our warehouses were equipped with EXE, a new distribution software that will also be implemented during 2000 in our other distribution centres. In addition to standardizing and integrating our practices more fully, these new software programs will enable the Company to further rationalize its costs and maximize its operational flexibility and efficiency.

On the eve of a new millennium and at the end of a decade that witnessed numerous changes in the food retailing and distribution industry, Métro-Richelieu has maintained sustained growth and can look forward to a promising future. The Company has clearly demonstrated its ability to adapt quickly and effectively to an ever-changing competitive environment, while enhancing growth of its market share.

The results of the past years and in particular 1999 are the product of the expertise and commitment of all Métro-Richelieu officers, employees and retailers. We thank them for their contribution. We also welcome

all Loeb employees and retailers who joined the Métro-Richelieu team and underline that we are counting on their expertise and commitment for the development of this new subsidiary.

As well, we would like to thank our shareholders for their confidence. We are confident that Métro-Richelieu's human and financial resources will enable the Company to continue to grow and expand in the 21st century while remaining responsive to new opportunities.



Pierre H. Lessard, FCA
President and Chief Executive Officer

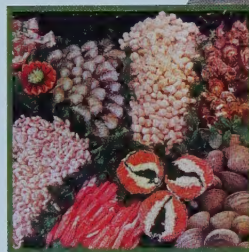


Jean-Pierre Boyer
Chairman of the Board

Métro-Richelieu's
growth is based on
understanding and

An eye for detail

satisfying changing
consumer needs.

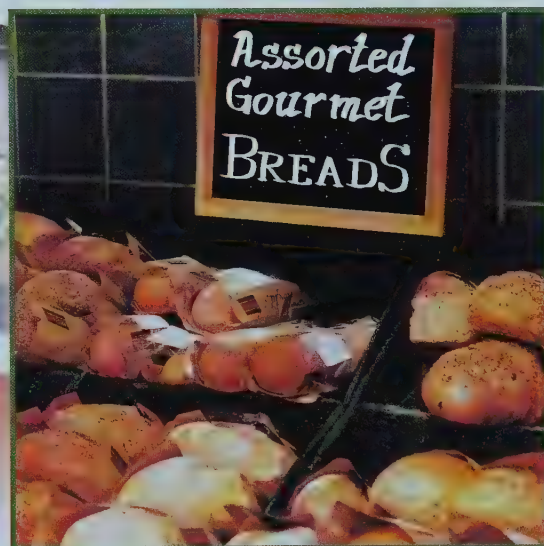


The growth of Métro-Richelieu's market share in the past decade has been the result, not of chance, but of detailed planning.

Our continued growth stems from the successful positioning of our banners. To achieve this, a major retail investment program was launched in 1993. Today, we offer consumers a supermarket network that ranks among the most modern in Canada.

In light of our success, we intend to continue implementing this strategy in the coming years, especially with respect to the Loeb banner in Ontario.





From store design to product variety and
quality of service, our eye for
detail ensures customer

satisfaction.



Launched in early 1999,
the *Merit Selection*
brand has quickly gained

The pleasure is ours

strong recognition

among consumers.

Consumers' tastes evolve. At Métro-Richelieu, we strive to satisfy their tastes, and doing so is a pleasure. Since we are close to consumers and responsive to their needs, we are always on the lookout for suggestions that take into account factors such as price-quality ratio, nutritional value, variety, the convenience of prepared foods, and more.

With this special attention to detail, the Company launched a new range of *Merit Selection* products that have already generated strong brand recognition among consumers. We are constantly adding new variety to an already extensive range of products.

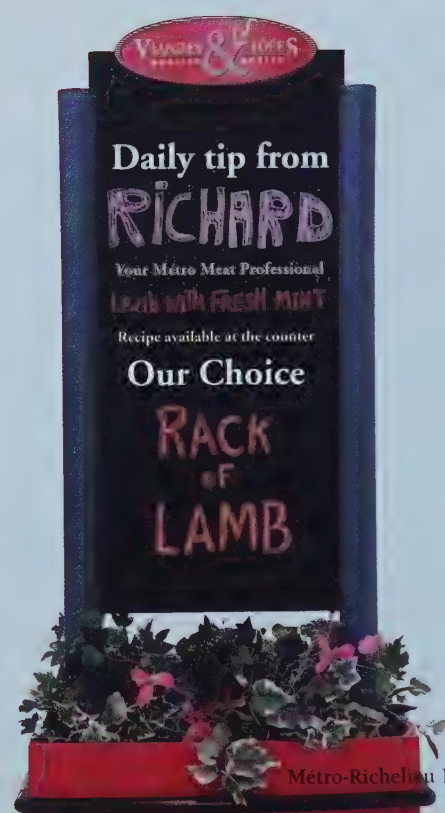
With our *Viandes & Idées* concept, consumers can obtain advice from our specialists on selecting meats according to their tastes and needs. They can also obtain advice on cooking methods, food preservation and a variety of tasty recipes.

All our staff strive to please, and to satisfy. It's a passion that sets us apart.





Merit Selection represents an attractive
price-quality
 ratio.



Year after year,

Métro-Richelieu

introduces new store

Consumers are our priority

concepts so as to

meet changing

consumer needs.



At Métro-Richelieu, consumers are at the heart of our everyday activities. Indeed, as food professionals for over 50 years, we strive to offer consumers the best shopping environment possible in each of the segments where we operate.

We therefore constantly develop new store concepts and services and seek new products intended to enhance customer satisfaction.

In 1999, a new concept was developed for our Métro supermarkets. In addition to regular products and services, large stores will offer consumers a wide range of fresh products, prepared foods, a coffee house, a bank outlet, natural and beauty items, an extensive selection of wines and many other details designed to ensure that customer needs can be fully met under one roof.





at Métro-Richelieu,
our customer
is our priority.



Summary of activities

Métro-Richelieu operates in the food and pharmaceutical-products distribution business segments primarily in Québec. In 1999, Métro-Richelieu acquired 40 Loeb stores located in the Ottawa region and in northeastern Ontario.

With an extensive network of stores, Métro-Richelieu is favourably positioned in each market segment. The Company ranks first in Québec in the supermarket segment with its 279 stores under the Métro banner. It also ranks prominently in the discount market segment with its 37 Super C stores. As well, it is active in the neighbourhood and small-store markets with 176 Marché Richelieu stores and 482 other stores that carry the Marché Ami, Gem, Marché Extra, SOS, Servit or Service banners. Métro-Richelieu also supplies numerous convenience stores and restaurant chains as well as independent retailers.

With the acquisition of Loeb stores in Ontario, representing some \$500 million in retail sales annually, Métro-Richelieu can now draw on this retail network to expand its activities outside Québec.

Through its subsidiary, McMahon Distributeur pharmaceutique, the Company operates in the pharmaceutical wholesale and distribution industry and acts as the franchisor for 73 Brunet

and 63 Clini-Plus drugstores. These two banners are solidly rooted in their respective market segments and have experienced significant growth in the past years.

Sales

In 1999, Métro-Richelieu's sales increased 9.4% to \$3,995.5 million. The Company's acquisition of the Loeb stores accounts for 3.4% of the increase. The food segment's sales totalled \$3,768.9 million, up 9.4%. Excluding the contribution of the Loeb stores, the growth rate was 5.9%. As for the pharmaceutical segment, sales rose 8.7% to \$226.6 million.

The growth in sales for the food segment is mainly the result of our retail investment program, effective merchandising along with a shopping environment that targets consumer needs.

During the year, Métro-Richelieu and its affiliated retailers invested \$102.7 million in the retail network. The Company injected \$42.5 million to renovate, expand and build new stores and its affiliated retailers invested \$60.2 million. In addition to the building of eight new stores, 23 outlets were renovated and 24 sites were expanded as a result of these investments,

Segmented sales

(Millions of dollars)

	1999	1998	1997
	\$	\$	\$
Industry segments			
Food	3,768.9	3,444.5	3,265.8
Pharmaceutical	226.6	208.5	166.5
	3,995.5	3,653.0	3,432.3

adding more than 420,700 square feet of floor space to the retail network. After the closing of certain stores, the net increase was 230,300 square feet in 1999.

In the past five years, the Company renovated or expanded 227 stores and built 21 new stores for a total investment of \$359 million. The new stores carrying the Métro banner have an average of 31,000 square feet in floor space and are designed to meet the changing needs of consumers. The average floor space of Métro stores increased by 6.3% in 1999 and stands at 18,280 square feet. The Company determines a store's floor space using different criteria, namely by identifying consumer needs by store, location and return on investment. With the acquisition of Loeb stores in Ontario, representing approximately one million square feet, the total floor space of Métro-Richelieu's retail network now exceeds 8.7 million square feet.

The Company increased its sales in the pharmaceutical segment through the addition and development of new locations with the Brunet and Clini-Plus banners coupled with the overall growth achieved with other customers.

Operating income

Operating income amounted to \$143 million, compared with \$129.6 million in 1998, an increase of 10.3%. This represents 3.6% of sales versus 3.5% last year.

Operating income in the food segment grew 8.6% to \$137.4 million, compared with \$126.5 million last year. As for the pharmaceutical segment, operating income rose \$2.5 million to \$5.6 million, including a gain of \$0.9 million on the disposal of assets, compared with \$3.1 million in 1998.

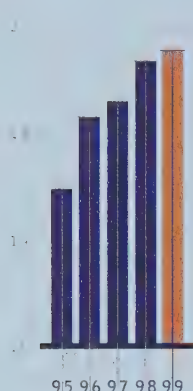
The results achieved in these two segments stem from the application of cost control measures and improved operational productivity.

Segmented earnings

(Millions of dollars)

	1999	1998	1997
	\$	\$	\$
Operating income			
Food	137.4	126.5	112.3
Pharmaceutical	5.6	3.1	2.5
	143.0	129.6	114.8

Net earnings/Sales
(Excluding non-recurring
items)
(Percentage)



Cash flow per share
(Dollars)



Financing costs

Financing costs totalled \$5.9 million in 1999, up \$1.6 million from last year. These costs represent 0.15% of sales, compared with 0.12% in 1998. The increase in financing costs resulted primarily from the Loeb store acquisitions during 1999 totalling \$125 million. The average financing cost in 1999 was 5.23%, compared with 4.48% last year. The interest coverage ratio stood at 21.5 times in 1999, compared with 26.0 times in 1998.

Non-recurring items

The Company incurred a \$15-million integration and restructuring expense in connection with its Loeb store acquisitions. This non-recurring charge is related to the integration and restructuring plan for the acquired stores. This plan provides for severance payments, store conversions and replacements as well as disbursements related to computer systems integration.

In 1998, the non-recurring items resulted from a charge of \$24.1 million pertaining to a labour relations settlement and a gain of \$6.1 million on the disposal of an investment.

Net earnings

Net earnings excluding non-recurring items amounted to \$84.6 million in 1999, up 11.5% compared with \$75.9 million last year. Net earnings represented 2.1% of sales in the past two years.

Fully diluted net earnings per share excluding non-recurring items rose 10.3% to \$1.60 in 1999, compared with \$1.45 last year. Net earnings, including non-recurring items, totalled \$76.4 million this year, versus \$65.4 million in 1998, an increase of 16.8%. Fully diluted net earnings per share, including non-recurring items,

rose 16% to \$1.45 for 1999, compared with \$1.25 last year. The weighted average number of shares outstanding in 1999 was 50.5 million and 50.9 million in 1998.

Financial structure

During 1999, the Company maintained a sound financial position while pursuing its retail investment program, carrying out major capital expenditures and acquiring Loeb stores. In 1999, the long-term debt/shareholders' equity ratio was 0.37, compared with 0.14 last year. Long-term debt increased \$95.6 million, and shareholders' equity was up \$49.7 million.

In the past year, Métro-Richelieu invested \$88.2 million to acquire capital assets, \$42.5 million of which was allocated for retail network investments, compared with a total of \$80.5 million in 1998, including \$36.9 million in retail investments.

Cash flow from operating activities rose from \$119.5 million in 1998 to \$193.9 million this year primarily resulting from improvements in net earnings and in the management of working capital. Cash flow per share increased from \$2.35 last year to \$3.84 in 1999.

Métro-Richelieu's long-term debt consists mainly of a bank loan from a syndicate of financial institutions. The Company also has in excess of \$237 million in unused credit facilities.

For the fifth consecutive year, Métro-Richelieu paid its shareholders a dividend. In 1999, it totalled \$0.25 per share, compared with \$0.205 per share last year, an increase of 22%. The Company's policy is to pay an annual dividend varying from 15% to 20% of the previous year's net earnings before extraordinary items.

During the year, the Company redeemed 613,800 Class A Subordinate Shares in the normal course of business, considering this to be an appropriate use of its surplus funds. These shares were

acquired at an average price of \$18.98 for a total consideration of \$11.6 million. Moreover, stock options were exercised for a total cash consideration of \$7.7 million before taxes.

Stock market transactions

In the past year, Métro-Richelieu's shares traded between \$17.00 and \$23.50. A total of 23.1 million shares were traded on the Montréal and Toronto stock exchanges during the year. The closing price on Friday, September 24, 1999 was \$19.45 on the Montreal Exchange and \$19.30 on the Toronto Stock Exchange.

Technology

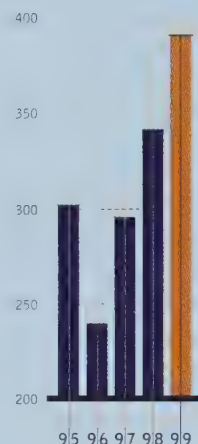
In 1997, Métro-Richelieu decided to implement the SAP software package for all of its operations as well as the EXE logistics system for its warehouses. With these state-of-the-art software programs, the Company will retrieve information in real time and fully integrate its major operations: distribution logistics, inventory management, purchasing, merchandising and accounting. The Company will draw on this cutting-edge technology to enhance operational efficiency, reduce costs and obtain the information needed for decision-making.

During the year, Métro-Richelieu began the deployment of this technology. The SAP financial module was implemented throughout the Company along with the EXE logistics software in respect of frozen product warehouse operations and Québec City warehouse grocery products. The deployment process will continue during the coming year and provide the Company with a substantial competitive edge. The amortization will begin next year and will extend over the useful life of the project.

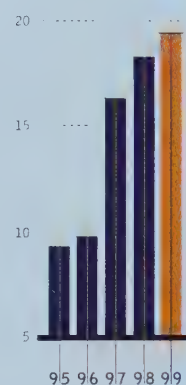
Risks and uncertainties

The principal risk in the Canadian food market is fierce competition. The recent mergers of major Canadian food companies also accentuate this risk. To overcome this challenge, Métro-Richelieu intends to maintain its dominant position in Québec through its retail investment program and a shopping environment that targets the needs of consumers. As well, with the acquisition of Loeb stores in Ontario, the Company will build on and develop concepts adapted to this major market under the Loeb and Super C banners. Over the next three years, the Company plans to invest over \$300 million in its retail network in Québec and Ontario, \$100 million of which will be incurred next year.

Shareholders' equity
(Millions of dollars)



Share value
(Dollars)
(closing price on the last Friday of each year)



Year 2000

The Year 2000 changeover is an important challenge for the Company since its operations rely to a large extent on the ability of its computer systems to properly record and process the Year 2000. All of the Company's major computer systems have been converted and are Year 2000 compliant. Moreover, at the end of October 1999, the Company successfully completed tests involving dates before, on and after January 1, 2000.

The Company has contacted its principal business partners to inquire about their level of Year 2000 readiness. As well, it completed the testing of equipment with date-activated features and replaced non-compliant equipment. The Company has also implemented a corrected version of its electronic data interchange (EDI) and ensured that its main suppliers have also converted to the new version.

To overcome failures at any level, contingency plans covering all the Company's operations will be completed by late fall 1999. Contingency plans will be coordinated through a control centre.

The conversion costs are expensed and are expected to total \$9.5 million, including \$6 million in fiscal 1999.

The Company believes that it is taking all the necessary precautions, and is confident that it will be able to efficiently pursue its activities during and after the Year 2000, while continuing to secure its shareholders' investments for the long term. However, it is impossible to ascertain whether all aspects of the Year 2000 issue, including those related to customers, suppliers and third parties, will be completely resolved.

Outlook

Over the coming years, the Company plans to face the competition by drawing on its retail investment program, pursuing effective merchandising programs and maintaining a shopping environment that meets the needs of consumers. As well, it expects to continue to grow by capitalizing on the benefits of its SAP/EXE project and by continuing to develop in Québec and Ontario. And finally, Métro-Richelieu will explore any attractive opportunities to expand its market share of the Canadian food industry.



L. G. Serge Gadbois, FCA
Senior Vice-President, Finance

Montréal, October 29, 1999

Quarterly Highlights

(Millions of dollars, except for earnings per share)

	1st quarter	2nd quarter	3rd quarter	4th quarter	Year
	(1)	(1)	(2)	(1)	
Year ended September 25, 1999					
Sales	902.8	854.1	1,218.5	1,020.1	3,995.5
Operating income	31.4	31.7	46.0	33.9	143.0
Net earnings excluding non-recurring items	18.7	18.7	27.3	19.9	84.6
Net earnings	18.7	18.7	27.3	11.7	76.4
Fully diluted net earnings per share excluding non-recurring items	0.35	0.36	0.51	0.38	1.60
Fully diluted net earnings per share	0.35	0.36	0.51	0.23	1.45
Year ended September 26, 1998					
Sales	845.0	803.7	1,140.2	864.1	3,653.0
Operating income	28.8	28.2	41.9	30.7	129.6
Net earnings excluding non-recurring items	17.1	16.4	24.6	17.8	75.9
Net earnings	17.1	16.4	24.6	7.3	65.4
Fully diluted net earnings per share excluding non-recurring items	0.32	0.32	0.47	0.34	1.45
Fully diluted net earnings per share	0.32	0.32	0.47	0.14	1.25
Year ended September 27, 1997					
Sales	811.4	752.5	1,071.9	796.5	3,432.3
Operating income	26.6	25.0	36.5	26.7	114.8
Net earnings	15.5	14.1	21.0	15.6	66.2
Fully diluted net earnings per share	0.29	0.27	0.40	0.30	1.26

(1) 12 weeks

(2) 16 weeks

Management's Responsibility for Financial Reporting

The consolidated financial statements of Métro-Richelieu Inc. and financial information contained in this Annual Report are the responsibility of management. This responsibility is based on a judicious choice of accounting procedures and principles, the application of which requires the informed judgment of management. The consolidated financial statements were prepared according to generally accepted accounting principles in Canada and were approved by the Board of Directors. In addition, the financial information included in the Annual Report is consistent with that in the consolidated financial statements.

Métro-Richelieu Inc. maintains accounting and administrative control systems which, in the opinion of management, ensure reasonable accuracy, relevance and reliability of financial information and well-ordered, efficient management of the Company's affairs.

The Board of Directors is responsible for approving the consolidated financial statements included in this Annual Report, primarily through its Audit Committee. This Committee, which holds periodic meetings with members of management as well as internal and external auditors, reviewed the consolidated financial statements of Métro-Richelieu Inc. and recommended their approval to the Board of Directors.

The enclosed consolidated financial statements were audited by Ernst & Young, Chartered Accountants, and their report indicates the extent of their audit and their opinion on the consolidated financial statements.



Pierre H. Lessard, FCA
President and Chief Executive Officer



L.G. Serge Gadbois, FCA
Senior Vice-President, Finance

Montréal, October 29, 1999

Auditors' Report

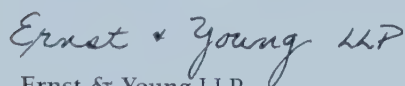
To the Shareholders of Métro-Richelieu Inc.

We have audited the consolidated balance sheets of Métro-Richelieu Inc. as at September 25, 1999 and September 26, 1998 and the consolidated statements of earnings, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at September 25, 1999 and September 26, 1998 and the results of its operations and its cash flows for the years then ended in accordance with generally accepted accounting principles.

The financial statements as at September 27, 1997 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated October 29, 1997.



Ernst & Young LLP
Chartered Accountants

Montréal, October 29, 1999

Consolidated statements of earnings

Year ended September 25, 1999

(Millions, except for earnings per share)

	1999	1998	1997
	\$	\$	\$
Sales	3,995.5	3,653.0	3,432.3
Cost of sales and operating expenses	3,808.2	3,483.7	3,278.3
Depreciation and amortization (note 4)	44.3	39.7	39.2
	3,852.5	3,523.4	3,317.5
Operating income	143.0	129.6	114.8
Financing costs			
Short-term	0.2	0.5	0.6
Long-term	5.7	3.8	4.1
	5.9	4.3	4.7
Earnings before income taxes and the following non-recurring items	137.1	125.3	110.1
Integration and restructuring expenses (note 3)	15.0	—	—
Labour relations settlement	—	24.1	—
Gain on disposal of investment	—	(6.1)	—
Earnings before income taxes	122.1	107.3	110.1
Income taxes (note 5)	45.7	41.9	43.9
Net earnings	76.4	65.4	66.2
Earnings per share			
Basic	1.51	1.28	1.29
Fully diluted	1.45	1.25	1.26
Weighted average number of shares outstanding	50.5	50.9	51.2

See accompanying notes

Additional information excluding non-recurring items, net of income taxes			
Net earnings	84.6	75.9	66.2
Earnings per share			
Basic	1.68	1.49	1.29
Fully diluted	1.60	1.45	1.26

Consolidated statements of retained earnings

Year ended September 25, 1999

(Millions of dollars)

	1999	1998	1997
	\$	\$	\$
Balance at beginning of year	183.6	138.5	85.2
Net earnings	76.4	65.4	66.2
	260.0	203.9	151.4
Dividends	12.6	10.4	7.7
Share redemption premium	9.7	8.8	5.2
Stock options settled in cash, after income taxes	4.7	1.1	—
	27.0	20.3	12.9
Balance at end of year	233.0	183.6	138.5

See accompanying notes

Consolidated balance sheets

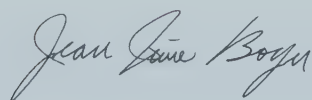
As at September 25, 1999

(Millions of dollars)

	1999	1998	1997
	\$	\$	\$
Assets			
Current			
Accounts receivable	177.3	160.9	147.1
Income taxes	—	10.7	3.5
Inventories	195.7	166.9	164.8
Prepaid expenses	9.4	11.3	10.3
Current portion of investments (note 6)	0.4	0.7	2.4
	382.8	350.5	328.1
Investments (note 6)	18.7	17.0	18.2
Capital assets and other assets (note 7)	594.7	420.0	379.2
	996.2	787.5	725.5
Liabilities and shareholders' equity			
Current			
Bank loans (note 8)	2.4	0.5	7.5
Outstanding cheques	10.2	33.1	11.6
Accounts payable	387.8	329.3	301.7
Income taxes	19.7	—	—
Current portion of long-term debt (note 8)	4.9	3.5	2.7
	425.0	366.4	323.5
Long-term debt (note 8)	144.2	48.6	94.6
Deferred income taxes	34.7	29.9	11.2
	603.9	444.9	429.3
Shareholders' equity			
Capital stock (note 9)	159.3	159.0	157.7
Retained earnings	233.0	183.6	138.5
	392.3	342.6	296.2
	996.2	787.5	725.5

See accompanying notes

On behalf of the Board:



Jean-Pierre Boyer
Director



Gilles Lamoureux
Director

Consolidated statements of cash flows

Year ended September 25, 1999

(Millions of dollars)

	1999	1998	1997
	\$	\$	\$
Operating activities			
Net earnings	76.4	65.4	66.2
Items not requiring cash flows			
Equity earnings in a company subject to significant influence	(2.0)	(1.7)	(1.3)
Depreciation and amortization	44.3	39.7	39.2
(Gain) loss on disposal of assets	(0.9)	(6.1)	1.2
Deferred income taxes	4.8	18.7	(1.4)
	122.6	116.0	103.9
Net change in non-cash working capital			
Increase in accounts receivable	(11.3)	(13.8)	(2.9)
Increase in inventories	(3.4)	(2.1)	(19.8)
Decrease (increase) in prepaid expenses	1.9	(1.0)	(0.3)
Increase in accounts payable	53.7	27.6	16.3
Increase (decrease) in income taxes payable	30.4	(7.2)	(9.5)
	71.3	3.5	(16.2)
	193.9	119.5	87.7
Cash flows from investment activities			
Business acquisition (note 3)	(157.0)	—	—
Net change in investments	1.5	10.7	0.6
Net acquisitions of capital assets and other assets (note 7)	(81.5)	(77.7)	(78.4)
	(237.0)	(67.0)	(77.8)
Cash flows from financing activities			
Issue of capital stock	2.2	3.0	3.8
Redemption of subordinate shares	(11.6)	(10.5)	(6.6)
Stock options settled in cash	(4.7)	(1.1)	—
(Decrease) increase in demand bank loans and outstanding cheques	(20.5)	14.5	16.3
Increase in long-term debt	191.0	0.7	7.1
Decrease in long-term debt	(100.7)	(48.7)	(22.8)
Dividends paid	(12.6)	(10.4)	(7.7)
	43.1	(52.5)	(9.9)
Net change in cash and cash equivalents and balances at beginning and at end of year	—	—	—
Other information			
Interest paid	5.4	4.4	4.3
Income taxes paid	10.5	30.4	54.8

See accompanying notes

September 25, 1999

(Millions of dollars, except for share price)

1. Summary of significant accounting policies

The Company's consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada which require management to make estimates and assumptions that affect the amounts recorded in the financial statements. Also, the preparation of the Company's financial statements by management requires the selection of appropriate accounting policies, which are summarized below:

Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances available after payment of bank loans and highly liquid investments with an initial term of three months or less and that are accounted for at cost, which approximates market value.

Inventory valuation

Wholesale inventories are valued at the lower of cost, determined on a first in, first out basis, and net realizable value.

Retail inventories are valued at the retail price less the gross margin.

Investments

Investments in companies subject to significant influence are accounted for using the equity method. Other investments are recorded at cost.

Capital assets and other assets

Capital assets and other assets are recorded at cost. The depreciation and amortization methods and the estimated useful lives are subject to a periodical review. The Company analyzes the net book value of capital assets and other assets on an annual basis. Thus, it assesses its ability to recover the net book value of capital assets and other assets according to estimated cash flows not discounted over the rest of the depreciation and amortization periods.

Capital assets and other assets are amortized using the straight-line method based on their useful lives:

Buildings	40 years
Equipment	4 to 20 years
Leasehold improvements	Terms of the leases (5 to 40 years)
Goodwill	20 to 40 years
Leasehold rights	Terms of the leases (30 and 40 years)
Improvements and development of retail network loyalty, software and other	5 to 10 years

1. Summary of significant accounting policies *(cont'd)*

Future benefits plans

Pension costs of defined benefit and defined contribution pension plans, related to current services, are charged to earnings for the period during which the services are rendered. Past service costs are amortized over the expected average remaining service life of the employee group covered by the plans. The difference between the pension costs and contributions paid is recorded on the balance sheet under prepaid expenses.

The costs of post-employment benefits such as health care, dental plan and other benefits are charged to earnings when they become payable.

Income taxes

The Company follows the tax allocation method in providing for income taxes. Under this method, timing differences between earnings for accounting purposes and earnings for tax purposes give rise to deferred income taxes.

Earnings per share

Earnings per share is calculated based on the weighted average number of Class A Subordinate Shares and Class B Shares outstanding during the year. The fully diluted earnings per share takes into account all the elements that have a dilutive effect.

Fiscal year

The Company's fiscal year ends on the last Saturday of September. The fiscal years ended September 25, 1999, September 26, 1998 and September 27, 1997 include 52 weeks of operations.

2. Changes in accounting policies

The Company adopted, retroactively, the new recommendations issued by the Canadian Institute of Chartered Accountants regarding information on cash flows. Under the new rules, the principal changes affect the definition of cash and cash equivalents as well as the exclusion of operations that do not generate any cash transactions in the statement of cash flows.

The Company also retroactively adopted the Canadian Institute of Chartered Accountants' new recommendations on segment disclosures. Under these new rules, the principal change affects the definition of an operating segment that corresponds to a component of the Company whose operating income is reviewed periodically by the senior operations manager of the Company.

The application of these new standards had no impact on the results of operations and shareholders' equity in prior years.

3. Business acquisition

On June 19, 1999, the Company acquired 29 supermarkets, the rights to 11 franchisees, two distribution centres and the rights to the Loeb banner, for a cash consideration of \$125. In relation to this acquisition, the Company acquired inventories as well as net assets, excluding the balance due to suppliers, for an additional cash consideration of \$26.2. This acquisition has been accounted for using the purchase method and results of operations have been included from the date of acquisition.

The purchase price of the identifiable net assets can be summarized as follows:

	\$
Purchase price	
Cash consideration	151.2
Fees and other direct costs	5.8
	157.0
Identifiable net assets	
Working capital items, net	26.2
Capital assets	43.7
Identifiable net assets	69.9
Goodwill (amortized over 40 years)	87.1

Under management's plan following the acquisition, an estimated \$15 will be incurred over the next two years to integrate and restructure the operations of Loeb Canada Inc. This amount has been fully charged to the year's results of operations.

4. Depreciation and amortization

	1999	1998	1997
	\$	\$	\$
Tangible assets	27.7	23.3	25.5
Intangible assets and other assets			
Goodwill	3.5	2.7	2.8
Leasehold rights	2.5	2.4	2.6
Improvements and development of retail network loyalty, software and other	10.6	11.3	8.3
	44.3	39.7	39.2

5. Income taxes

	1999	1998	1997
	\$	\$	\$
Payable	40.9	23.2	45.3
Deferred	4.8	18.7	(1.4)
	45.7	41.9	43.9

The effective income tax rate is as follows:

	1999	1998	1997
	%	%	%
Combined statutory income tax rate	38.5	38.3	38.3
Changes			
Non-deductible goodwill	0.8	0.8	0.8
Other	(1.9)	(0.1)	0.8
	37.4	39.0	39.9

6. Investments

	1999	1998	1997
	\$	\$	\$
Investments in food retailing companies subject to significant influence			
Private	0.9	0.9	0.9
Public (quoted market value 1999 – \$49.7, 1998 – \$41.3 and 1997 – \$28.4)	13.7	11.7	10.8
Investments in other private companies, at cost	0.8	1.1	1.1
Loans bearing interest at floating rates	3.7	4.0	7.8
	19.1	17.7	20.6
Current portion	0.4	0.7	2.4
	18.7	17.0	18.2

7. Capital assets and other assets

	1999			1998		1997	
	Cost	Accu- mulated depre- ciation	Net book value	Cost	Accu- mulated depre- ciation	Net book value	Net book value
	\$	\$	\$	\$	\$	\$	\$
Tangible assets							
Land	28.2	—	28.2	23.1	—	23.1	20.7
Buildings	119.6	40.1	79.5	105.2	36.9	68.3	64.6
Equipment	255.9	126.7	129.2	211.9	110.0	101.9	90.9
Leasehold improvements	99.3	49.8	49.5	73.3	47.1	26.2	19.4
	503.0	216.6	286.4	413.5	194.0	219.5	195.6
Intangible assets and other assets							
Goodwill	185.9	32.8	153.1	98.8	29.3	69.5	70.8
Leasehold rights	94.1	26.3	67.8	88.5	23.8	64.7	67.1
Improvements and development of retail network loyalty, software and other	149.2	61.8	87.4	118.2	51.9	66.3	45.7
	429.2	120.9	308.3	305.5	105.0	200.5	183.6
	932.2	337.5	594.7	719.0	299.0	420.0	379.2

The capital-lease acquisitions and other acquisitions of capital assets excluded from the statement of cash flows totalled \$7.2, \$2.8 and \$0.5 in 1999, 1998 and 1997 respectively.

8. Long-term debt

	1999	1998	1997
	\$	\$	\$
Bank loans issued under unsecured term credit facilities, renewable, maturing on March 31, 2000, bearing interest at 5.4% (5.8% and 4.0% in 1998 and 1997)	135.0	40.0	85.0
Other loans, maturing on various dates, bearing interest at 5.4% (5.9% and 5.2% in 1998 and 1997)	4.9	5.7	7.3
Capital-lease obligations bearing interest at an average rate of 5.9%, maturing on various dates until 2005	9.2	6.4	5.0
	149.1	52.1	97.3
Current portion	4.9	3.5	2.7
	144.2	48.6	94.6

8. Long-term debt *(cont'd)*

The Company has a demand credit facility of \$25 and term credit facilities amounting to \$350, of which \$135 was used as at September 25, 1999. These are unsecured facilities that bear interest based on market rates. The term credit facilities mature between March 31, 2000 and June 18, 2001. On June 18, 2001, the outstanding balance, up to a maximum of \$125, will be refundable in three equal annual instalments on June 18, 2002, 2003 and 2004.

Minimum payments required on the long-term debt over the next five years, taking into account the credit facilities available for reimbursement of matured credit facilities, are as follows: \$5.2 in 2000, \$14.4 in 2001, \$42.6 in 2002, \$42.3 in 2003, \$42.1 in 2004 and \$3.4 in 2005 and following. These minimum payments include interest of \$0.9 on the capital-lease obligations.

9. Capital stock**Authorized**

Unlimited number of First Preferred Shares, non-voting, without par value, issuable in series:

Series 2, participating, dividend at the same rate as Class A Subordinate Shares and Class B Shares, redeemable, convertible into an equal number of other participating shares. These shares have been redeemed and cancelled or converted into Class A Subordinate Shares.

Unlimited number of Class A Subordinate Shares, bearing one voting right per share, participating, convertible into Class B Shares in case of a takeover bid on Class B Shares, without par value.

Unlimited number of Class B Shares, bearing 16 voting rights per share, participating, convertible in case of disqualification into an equal number of Class A Subordinate Shares, without par value.

Issued

	1999	1998	1997
	\$	\$	\$
49,203,446 Class A Subordinate Shares (49,560,629 in 1998 and 49,742,442 in 1997)	155.4	155.2	154.2
1,150,400 Class B Shares (1,215,200 in 1998 and 1,301,600 in 1997)	3.9	3.8	3.5
	159.3	159.0	157.7

9. Capital stock (cont'd)**Stock options**

Under a stock option plan, options were granted for the purchase of Class A Subordinate Shares. As at September 25, 1999, 3,200,297 Class A Subordinate Shares were reserved for issuance under the stock option plan at exercise prices varying from \$6.25 to \$21.35 until 2006. During 1998, the plan was modified to allow employees to elect to receive cash for the options equal to their intrinsic value, being the difference between the exercise price of the options and the market value of the shares at the date of exercise.

Change in capital stock

	1999		1998		1997	
	Number of shares	\$	Number of shares	\$	Number of shares	\$
Issuance of capital stock (for cash)						
Class A Subordinate Shares	170,217	1.8	273,687	2.4	564,908	3.1
Class B Shares	21,600	0.4	32,400	0.6	54,000	0.7
Redemption of shares (in cash)						
Class A Subordinate Shares (excluding a premium of \$9.7 in 1999, \$8.8 in 1998 and \$5.2 in 1997)	613,800	1.9	574,300	1.7	463,600	1.4
Conversion of Class B Shares into Class A Subordinate Shares	86,400	0.3	118,800	0.3	98,160	0.2

10. Contractual obligations

The Company has lease commitments, with varying terms extending to 2027, to lease premises which it uses for business purposes. The balance of the commitments in terms of minimum lease payments under these leases as at September 25, 1999 is \$319.5. The minimum lease payments over the next five years are as follows: \$32.1 in 2000, \$32.3 in 2001, \$31.6 in 2002, \$31.0 in 2003 and \$29.3 in 2004.

In addition, the Company has lease and lease offer commitments, with varying terms extending to 2020, to lease premises which it sublets to customers, generally under the same terms and conditions. The balance of the commitments in terms of minimum lease payments under these leases is \$308.4 and the average annual payment for the next five years is \$30.6.

11. Contingencies

Endorsements

For certain of its customers with whom business relationships are established:

- The Company assumes a contingent liability as guarantor of lease agreements having varying terms extending to 2019 for which the annual minimum lease payment is \$3.5. The maximum contingent liability under these endorsements as at September 25, 1999 is \$29.7.
- The Company has endorsed loans granted by financial institutions for a maximum amount of \$13.0. The balance of these loans as at September 25, 1999 is \$5.8. In return, the Company holds a charge on some assets of its customers.

Claims

In the normal course of its business, various lawsuits and claims are brought against the Company. The Company contests the validity of these claims and lawsuits and management believes that any settlement will not have a material effect on the financial position or on the consolidated earnings of the Company.

Year 2000 issue

The Year 2000 issue raises certain problems since many information systems use only two digits, instead of four, to record the year. Thus, these systems may incorrectly interpret "00" when it is used to designate the Year 2000. The effects of the Year 2000 issue may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. The Company is aware of the risks related to the Year 2000 issue, and management is continuing with the implementation of a plan to address these Year 2000 issues. Also, an evaluation is now under way of the degree of readiness for the Year 2000 issue by third parties such as customers, suppliers and others. However, it is impossible to ascertain whether all aspects of the Year 2000 issue, including those related to customers, suppliers and third parties, will be completely resolved.

12. Pension plans

As at September 25, 1999, the actuarial value of pension benefits is \$32.0 (\$25.2 in 1998 and \$24.0 in 1997) and the market value of the assets of the pension funds is \$43.1 (\$34.2 in 1998 and \$35.4 in 1997).

13. Related party transactions

During the year, sales made to companies controlled by members of the Board of Directors totalled \$66.1 (\$65.7 in 1998 and \$117.6 in 1997) and sales made to companies subject to significant influence totalled \$122.4 (\$108.6 in 1998 and \$102.8 in 1997).

14. Segmented information

The Company operates in the Canadian food and pharmaceutical distribution industry. The Company measures its segmented results of operations based on operating income determined using the same accounting policies applied to the preparation of the consolidated financial statements.

	Food	Pharmaceutical	Consolidated
September 25, 1999			
Sales	3,768.9	226.6	3,995.5
Depreciation and amortization	43.5	0.8	44.3
Operating income	137.4	5.6	143.0
Capital expenditures and goodwill	218.9	0.9	219.8
Segment assets	939.2	57.0	996.2
September 26, 1998			
Sales	3,444.5	208.5	3,653.0
Depreciation and amortization	39.0	0.7	39.7
Operating income	126.5	3.1	129.6
Capital expenditures and goodwill	79.2	1.5	80.7
Segment assets	734.2	53.3	787.5
September 27, 1997			
Sales	3,265.8	166.5	3,432.3
Depreciation and amortization	38.5	0.7	39.2
Operating income	112.3	2.5	114.8
Capital expenditures and goodwill	77.7	1.4	79.1
Segment assets	674.9	50.6	725.5

15. Fair value of financial instruments

The fair value of accounts receivable, bank loans, outstanding cheques, accounts payable and income taxes approximates their carrying value due to the short-term maturity of these items.

The fair value of loans included in investments and of the items included in long-term debt, approximates their carrying value since they are at floating interest rates or at interest rates that are comparable to market rates.

16. Comparative figures

Certain comparative figures for prior years have been reclassified to conform with the presentation adopted in the current year.

	1999 (52 weeks)	1998 (52 weeks)	1997 (52 weeks)	1996 (52 weeks)	1995 (53 weeks)
Summary of results (Millions of dollars)					
Sales	3,995.5	3,653.0	3,432.3	3,266.0	3,145.6
Depreciation and amortization	44.3	39.7	39.2	37.0	38.7
Operating income	143.0	129.6	114.8	104.3	91.7
Financing costs	5.9	4.3	4.7	2.3	6.1
Non-recurring items					
Integration and restructuring expenses	15.0	—	—	—	—
Labour relations settlement	—	24.1	—	—	—
Gain on disposal of investment	—	6.1	—	—	14.6
Income taxes	45.7	41.9	43.9	41.0	39.1
Net earnings excluding non-recurring items	84.6	75.9	66.2	61.0	50.3
Net earnings	76.4	65.4	66.2	61.0	61.1
Changes in financial position (Millions of dollars)					
Cash flow from operations	193.9	119.5	87.7	92.9	102.2
Capital expenditures	88.2	80.5	78.7	56.6	35.6
Financial structure (Millions of dollars)					
Working capital	(42.2)	(15.9)	4.6	1.0	3.8
Current assets	382.8	350.5	328.1	304.8	291.8
Current liabilities	425.0	366.4	323.5	303.8	288.0
Capital assets and other assets	594.7	420.0	379.2	340.9	321.1
Total assets	996.2	787.5	725.5	663.1	628.4
Long-term debt	144.2	48.6	94.6	106.2	25.4
Shareholders' equity	392.3	342.6	296.2	240.5	302.7
Financial ratios					
Operating income/sales (%)	3.6	3.5	3.3	3.2	2.9
Net earnings excluding non-recurring items/sales (%)	2.12	2.08	1.93	1.87	1.60
Net earnings/sales (%)	1.91	1.79	1.93	1.87	1.94
Cash flow from operations/sales (%)	4.9	3.3	2.6	2.8	3.2
Return on shareholders' equity (%)	20.8	20.5	24.7	22.5	21.1
Long-term debt/shareholders' equity (xx:1)	0.37	0.14	0.32	0.44	0.08
Total debt/shareholders' equity (xx:1)	0.38	0.15	0.35	0.47	0.11
Working capital (xx:1)	0.90	0.96	1.01	1.00	1.01
Interest coverage (times)	21.5	26.0	24.7	45.5	17.5
Common share (Dollars)					
Earnings					
Net earnings excluding non-recurring items	1.68	1.49	1.29	1.00	0.81
Net earnings	1.51	1.28	1.29	1.00	0.99
Fully diluted net earnings excluding non-recurring items	1.60	1.45	1.26	0.96	0.79
Fully diluted net earnings	1.45	1.25	1.26	0.96	0.96
Dividends	0.25	0.205	0.15	0.11	0.06
Cash flow from operations	3.84	2.35	1.71	1.52	1.65
Book value	7.79	6.75	5.80	4.73	4.92
Market value					
High	23.50	22.50	17.05	10.20	9.50
Low	17.00	14.50	9.25	8.20	5.32
Number of shares outstanding at year-end (Millions)	50.4	50.8	51.0	50.9	61.6
Weighted average number of shares outstanding (Millions)	50.5	50.9	51.2	61.1	62.0
Trading volume (Millions)	23.1	22.2	35.7	46.5	36.0

BOARD OF DIRECTORS

Mario Beaumier ⁽¹⁾⁽⁷⁾
Treasurer

Serge Bourgeault ⁽²⁾
Director

Jean-Pierre Boyer ⁽¹⁾⁽³⁾⁽⁵⁾
Chairman of the Board

Micheline Charest ⁽²⁾⁽⁵⁾
Director

Raymond David ⁽²⁾⁽³⁾
Director

Serge Ferland ⁽²⁾
Director

Paul Gobeil ⁽¹⁾⁽⁵⁾⁽⁶⁾
Vice-Chairman of the Board

Florent Gravel ⁽⁶⁾
Director

Maurice Jodoin ⁽¹⁾⁽³⁾⁽⁴⁾
Director

Gilles Lamoureux ⁽²⁾⁽⁴⁾⁽⁵⁾
Director

Yves LeBel ⁽¹⁾
Secretary

Pierre H. Lessard ⁽¹⁾⁽³⁾
Chairman of the Executive Committee

Guy Lussier ⁽⁶⁾
Director

Bernard A. Roy ⁽⁴⁾⁽⁵⁾⁽⁶⁾
Director

Pierre Shooner ⁽¹⁾⁽³⁾⁽⁶⁾
Director

MANAGEMENT OF MÉTRO-RICHELIEU INC.

Pierre H. Lessard
President and Chief Executive Officer

Paul Gobeil
Vice-Chairman of the Board

Alain Brisebois
Senior Vice-President, Wholesale

L.G. Serge Gadbois
Senior Vice-President, Finance

Robert Sawyer
Senior Vice-President, Retail

Gérald Tremblay
Senior Vice-President, Corporate Affairs

Jacques Couture
Vice-President, Information Systems

Alain Picard
Vice-President, Human Resources

MANAGEMENT OF ÉPICIERIS UNIS MÉTRO-RICHELIEU INC.

Christian Bourbonnière
Vice-President, Produce

Pierre-Paul Bourdon
Vice-President, Food Services

Claude Brunetta
Vice-President, Development and Banner Development

Gilles Caron
Vice-President, Marketing

Marc Cassidy
Vice-President, Grocery, Eastern Québec

Jean-Louis Charpentier
Vice-President, Purchasing and Merchandising, Grocery

Michel Coulombe
Vice-President, Retail Operations

Claude Henri
Vice-President, Retail Positioning

Paul Laporte
Vice-President, Distribution, Grocery

Lawrence Timmons
Vice-President, Meat and Frozen Products

MANAGEMENT OF SUPER C

Jacques Obry
President

Denis Brisebois
Vice-President, Operations

Yvan Brochu
Vice-President, Purchasing and Merchandising

MANAGEMENT OF LOEB CANADA INC.

Eric Richer La Flèche
President

Johanne Choinière
Vice-President, Purchasing and Merchandising

MANAGEMENT OF McMAHON DISTRIBUTEUR PHARMACEUTIQUE INC.

Denise Martin
Vice-President and General Manager

As at December 1, 1999

- (1) Member of the Executive Committee
- (2) Member of the Audit Committee
- (3) Member of the Human Resources and Ethics Committee
- (4) Member of the Corporate Governance Committee
- (5) Member of the Nomination Committee
- (6) Member of the Pension Committee
- (7) Member of the Marketing Committee

Transfer agent and registrar:

General Trust of Canada

Bankers:

National Bank of Canada
Bank of Montreal
Royal Bank of Canada
Caisse centrale Desjardins
Toronto-Dominion Bank

Stock listings:

Toronto Stock Exchange
Ticker Symbol: MRU.A

Auditors:

Ernst & Young LLP
Chartered Accountants

Head Office address:

11011 Maurice-Duplessis Blvd.
Montréal, Québec H1C 1V6

The Annual Information Form may be obtained
from the Investor Relations Department:

Métro-Richelieu Inc.
Montréal, Québec H1C 1V6
Tel.: (514) 643-1055
E-mail: finance@metro.ca

*Vous pouvez vous procurer la version française
de ce rapport auprès du service des relations
avec les investisseurs.*

Métro-Richelieu's corporate information and
press releases are available on the Internet at
the following address:
<http://www.metro-richelieu.com>

Annual meeting:

The Annual General Meeting of Shareholders
will be held on January 25, 2000 at 11:00 a.m.
at the Sheraton Centre
1201 René-Lévesque West
Montréal, Québec H3B 2L7

Dividends*

2000 fiscal year

Declaration date	Record date	Payment date
January 24, 2000	February 8, 2000	March 1, 2000
April 6, 2000	May 9, 2000	June 1, 2000
August 8, 2000	August 17, 2000	September 1, 2000
September 26, 2000	November 7, 2000	December 1, 2000

*Subject to approval by the Board of Directors

Metro Richelieu